Adam Opel posts record profit

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — Adam Opel AG, the German-based core operation of General Motors Europe, last week reported record profit, revenue and production for 1990.

The company said net income increased 18.1 percent, to 1.327 billion marks (about $740 million at current exchange rates) on a 13.9 percent increase in revenue, to 23.7 billion marks ($13.2 billion).

Louis Hughes, chairman and managing director, said the results marked the "best business year ever in the company's history."

Opel's biggest gains were made in the western German market, where it increased penetration to 17.1 percent from 16.1 percent in 1989.

In the new eastern federal states, Opel achieved a market-leading share of 21.1 percent, giving it a combined German penetration of 17.4 percent.

Registrations for Opel and GM's Vauxhall Motors unit in the United Kingdom increased 5.4 percent last year, to 1.55 million units, giving GM a European-wide market share of 11.6 percent.

Opel last year built 1,048,772 vehicles at its plants in Germany and Antwerp, Belgium.

Hughes said Opel will invest 1.3 billion marks ($726 million) in 1991, mostly for product development and more capacity.

A new plant in Eisenach in Eastern Germany will open in late 1992. Capacity will be 150,000 units annually.

JAVIER MENDOZA

Chairman Kenji Shimizu leads a team of Japanese executives trying to revive American Suzuki in the U.S. market.

Suzuki happy to play second fiddle

Importer still trying for comeback, 3 years after Samurai crisis

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

BREA, Calif. — Three years ago, what executives refer to soberly as "the crisis" or "the situation" hit American Suzuki Motor Co.

Consumer Reports charged that Suzuki's Samurai was prone to roll over. Despite denials, a model crisis control campaign and a "no-defect" finding by the U.S. government, the event crippled Suzuki. Sales dropped 75.4 percent between 1987 and 1990, to just 20,504 last year.

But like a patient that has a brush with death but lives to tell about it, Suzuki has emerged sobered and more focused.

The company is positioning itself to prospective dealers as an accommodating partner and a profitable supplementary franchise that is relatively inexpensive. Rather than deny its second-fiddle status, Suzuki embraces it.

"We're young and small, and we don't feel we can require facilities right now. We're not planning to change that in the near future," says Gary Anderson, Suzuki's national sales manager and marketing director.

Anderson stresses that the strategy shift has not lessened Suzuki's commitment to North America. Since the Samurai episode, Suzuki has opened a joint-venture assembly plant in Canada, introduced the two-door and four-door Sidekick sport-utilities and the Swift sedans and hatchbacks, expanded dealer advertising and incentives and enlarged the dealer body.

As a result, "American Suzuki is a substantially different company than it was five years ago," says Executive Vice President Yoshi Fujii, who replaced the company's highest ranking American, Doug Mazza, after he resigned in September 1989.

"We are not trying to return to

see SUZUKI, page 33

GREEN SWEEP

New environmental rules will hit dealers in wallet, cast cloud over body shops

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

When Alvah Bohannon built a new dealership in 1988, he didn't think twice about whether to put in a body shop. Body shops are only marginally profitable for most dealers, and the cost of meeting EPA regulations plus the associated high-tech bump equipment he needed simply cost too much.

A dealer's $25,400 tab, Page 22

A complete paint and body shop could cost a dealer upwards of $600,000. Paint booths run $60,000 each, and a big volume dealer may need four of them.

"It wasn't a hard decision to make once I started pricing things," said Bohannon, owner of Altavista Motors in Altavista, Va. "Putting in a paint booth that met all of the federal requirements, regulations on paint thinners and the cost of insurance just didn't justify the investment."

The high costs of meeting existing federal, state and local environmental regulations can cost dealers hundreds of thousands of dollars, and have forced many thousands of dealers out of the body shop business. Pending regulations will cost dealers even more when they are finalized.

According to the National Automobile Dealers Association, only 55 percent of the dealerships had body shops in 1990, down from 70 percent in 1972.

"Regulatory requirements established by the EPA and Occupational Safety and Health Administration are making it tough for body shops to be profitable," said Rolf Ruehring, NADA executive

see COSTS, page 22

FIRING LINE: *Ford reps field customer queries; comments improve future products*

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Jena Carsella, a 25-year-old graduate of the University of Southern Colorado, was tickled pink when she was hired by Ford Motor Co. last July to work in the owner relations department.

It's an entry-level job in Ford's Parts and Service Division. Carsella and 200 other employees handle inquiries from Ford's 41 million car and truck owners. But Carsella, and others like her, each handle 45 to 50 calls a day, and even when at home sleeping, Carsella sometimes has the customer foremost on her mind.

"During the middle of the night, I've answered my phone, 'Ford customer service,' " Carsella says.

The efforts of Carsella and her colleagues already have resulted in some Ford product improvements.

Because of customer comments, seat belts will be more flexible and comfortable in all 1992 Ford Motor Co. vehicles.

Standard air bags on all cars and better gas mileage on trucks are the next steps that Ford customers want the No. 2 automaker to take.

Al White, manager of owner relations, says his department met formally for the first time with Ford engineers in January to give them feedback on customer comments, and that led to the improved seat belts on 1992 models.

The next formal session will be next month when air bags, gas mileage and other issues will be presented to Ford engineers.

White says Ford "stole" the engineering feedback system from Toyota. "Toyota does that well, feeding back to the engineering community," he says.

AUTOMOTIVE NEWS/JOE WILKENS

Many of the questions Ford customer service representative Dee Snyder fields are warranty related.

But White says that in 1991 "nobody in the auto industry has been identified as first in class when it comes to customer satisfaction. If we can focus on quality and give the dealer more leeway," Ford can get to that point, White says.

White says he looks to Toyota and Chevrolet as good benchmarks in the auto industry and the Ritz-Carlton Hotels and General Electric Co. as excellent examples outside the industry.

Ford began consolidating its customer relations department from the field offices to downtown Detroit in 1987 and completed the process in March 1990. The number of employees has grown from 147 in 1987 to 200 now.

Of the 200 employees, 120, like Carsella, handle the phones. The rest answer letters or are in management positions.

White says it may be the only department, other than engineering, that is not feeling the $3 billion budget cutback that Ford Chairman Harold Poling has decreed by the end of the year.

Customer relations employees typically are recent college graduates who must work the phones before they are allowed to work in Ford Parts and Service field offices across the country.

Carsella says that "as a stepping stone, there's no better place you can learn" about the company.

The starting pay is good, and the ambiance is first-rate. Employees work out of relatively large cubicles, each with a view of the Detroit River and the skylines of Detroit and Windsor, Ontario.

"It's just beautiful to look out and see outside," Carsella says. "It's aesthetically very beautiful around here."

General Electric advised Ford to keep the environment bright and beautiful if it wants sane employees by the end of the day.

Carsella and her colleagues work from 8:30 a.m. to 5 p.m. and each fields 45 to 50 calls a day, calls that aren't all pleasant.

Craig Stacey, 23, had a husband and wife on the phone at the same time June 17, complaining about rust on their 1988 Ford product.

"Some days you get beat up, but other days are better," Stacey says.

see CUSTOMERS, page 33

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AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207-3187. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207-3185.

Correction

The expiration date for Jaguar Cars Inc.'s luxury tax rebate was incorrectly reported in the June 17 issue. The offer expires Aug. 31.

Strong German sales save Western Europe from dive in May

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — New-car sales in Western Europe declined fractionally in May, although volume for the first five months of 1991 was about even with 1990.

The booming German market continued to buoy the rest of Europe in May. Sales in Germany, including the five new states, surged 42.5 percent to 408,000 units for the month, according to industry estimates compiled by *Automotive News*.

But sales in Europe's other major markets — France, Italy, the United Kingdom and Spain — declined in May.

Germany accounted for precisely one-third of all Western European new-car sales during the month, up 10 percentage points from May 1990.

Outside Germany, European sales fell 14 percent.

But most analysts, citing a 7.5 percent increase in income taxes which takes effect next month and higher fuel taxes, expect a slowdown in German demand during the second half.

January-May sales in the 17 surveyed countries totaled 6,145,200, just over 10,000 units above the previous year.

Sales in May fell 0.5 percent to 1,218,500.

The recession-mired British market continued to plunge, diving 31 percent to 120,200 sales in May. For the five months, volume in the United Kingdom was off 23.8 percent, to 703,500 units.

Sales in France fell 21 percent in May, to 155,000 units, and were off 17.1 percent for the first five months, to 859,500.

Italian sales declined 2.2 percent in May, to 216,180, and were off 3 percent, to 1,119,800, for the five months.

Sales in Spain, Europe's fifth largest market, were down 16.5 percent, to 78,300, in May and were off 18.7 percent, to 366,500, for five months.

Volkswagen Group, including the VW, Audi and Seat brands, again ranked first in European sales through the first five months at 1,023,500 cars. That represented a 10.5 percent increase over 1990 and was equal to 16.7 percent of the 17-nation market.

Volkswagen also registered the largest gain during May, with an 8.5 percent rise, to 206,300. For the year to date, VW surpassed General Motors as Europe's biggest gainer.

Volkswagen has received a major boost from the German market, where it enjoyed a leading 28.1 percent share on a 51.1 percent sales increase during the first five months of the year.

All of VW's sales gain in Europe during 1991 has been achieved in Germany. In Western Europe outside the home market, VW Group sales were down 15 percent, to 493,000.

Second-place Fiat Group, including the Fiat, Alfa Romeo and Lancia brands, declined 12.1 percent during May, to 156,500 units. For five months, the automaker's sales were down 11.5 percent, to 826,600.

Two years ago, Fiat ran neck and neck with Volkswagen for the European market lead, but in recent months the company has been outsold by VW, Ford of Europe and GM Europe.

Much of Fiat's decline can be traced to plummeting sales in its home market of Italy, where its share slid to 46 percent in May from 54 percent a year ago. Sales fell 21 percent in May, to 99,100 units.

Japanese makers have not kept pace with the growth in the German market; their combined share has fallen well below the accustomed 15 percent so far this year. Japanese share there was 12.8 percent in the first five months.

For all of Western Europe, Japanese volume increased 6 percent, to 725,500 units, for five months, an 11.8 percent market share.

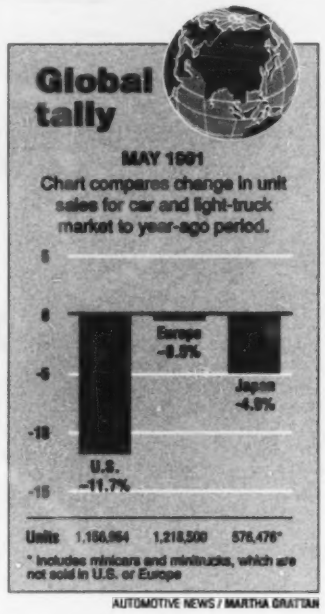
EUROPEAN SALES

Manufacturer	5 months, 1991	1991 share	5 months, 1990	Volume change (%) '91 vs. '90
Volkswagen	1,023,500	16.7	926,200	+10.5
Fiat Auto[1]	826,600	13.5	934,500	−11.5
General Motors[2]	757,100	12.3	691,900	+ 9.4
Ford[3]	753,500	12.3	706,000	+ 6.7
(Jaguar)	5,900	0.1	9,200	−35.9)
Peugeot S.A.[4]	712,300	11.6	794,500	−10.3
Renault	604,100	9.8	614,700	− 1.7
Mercedes-Benz	200,500	3.3	190,600	+ 5.2
Nissan	192,400	3.1	171,900	+11.9
BMW	167,300	2.7	168,600	− 0.1
Rover	156,400	2.5	175,200	−10.7
Toyota	155,500	2.5	154,700	+ 0.1
Mazda	126,900	2.1	121,600	+ 4.4
Volvo	93,900	1.5	112,900	−18.8
Mitsubishi	79,200	1.3	76,200	+ 3.9
Honda	71,300	1.2	67,700	+ 5.3
Suzuki	43,800	0.7	44,500	− 1.6
Lada	39,400	0.6	46,500	−15.3
Subaru	24,100	0.4	23,100	+ 4.3
Daihatsu	22,700	0.4	18,200	+24.7
Saab	21,100	0.3	26,900	−21.6
Skoda	14,000	0.2	11,400	+22.8
Others	59,600	1.0	57,200	+ 4.2
Total	**6,145,200**	**100.0**	**6,135,000**	**+ 0.2**

1-Includes Alfa Romeo, Lancia
2-Opel; Vauxhall; GM-U.S., Canada; Isuzu; not Saab
3-Includes Jaguar
4-Peugeot, Citroen, Talbot

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	5 months, 1991	Pct. change vs. 1990
Germany	1,918,500	+46.3
Italy	1,119,800	− 3.0
France	859,500	−17.1
United Kingdom	703,500	−23.8
Spain	366,500	−18.7
Netherlands	263,000	− 3.3
Belgium-Luxembourg	244,400	− 3.5
Switzerland	150,100	− 4.8
Austria	145,600	+ 3.2
Portugal	88,700	+ 1.6
Sweden	82,700	−27.0
Greece	56,200	+17.6
Finland	45,600	−37.0
Denmark	39,600	− 0.7
Ireland	38,800	−17.3
Norway	22,700	−15.3
Total	**6,145,200**	**+ 0.2**



AUTOMOTIVE NEWS / MARTHA GRATTAN

Chrysler 'family' adds members to discount roll

HIGHLAND PARK, Mich. — As part of its continuing efforts to deplete inventories of 1991 models, Chrysler Corp. has redefined the American family.

More family members can buy any 1991 Chrysler Corp. car or truck under the company's expanded employee/retiree purchase plan. And Mitsubishi products badged as Chrysler Corp. vehicles are included in the program.

In a letter to employees and retirees, Chrysler Corp. President Robert Lutz said the program is being expanded to include "sons, daughters, parents, parents-in-law, brothers, sisters, stepbrothers/sisters, half brothers/sisters, even brothers-in-law and sisters-in-law."

"The program includes just about everybody," Lutz added.

The former plan included only immediate family members of employees and retirees.

The new program runs until the end of the 1991 model year.

Buyers purchase the vehicle at the dealer's net wholesale cost and are eligible for consumer rebates or special financing.

The dealer price for the vehicle is the factory invoice price minus the 3 percent holdback and minus the dealer advertising contribution.

Buyers are limited to three vehicles per model year.

Chrysler last week also announced a $500 rebate on new cars purchased by U.S. military personnel and spouses from June 18 through Sept. 30.

The rebate is in addition to other national consumer incentive programs and applies to all 1990, 1991 and 1992 Chrysler Corp. vehicles, except 1990 Dodge Omni/Plymouth Horizon models.

Poland reported to favor GM as partner for ailing FSO

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — General Motors last week was reported to have won the upper hand in talks to co-produce passenger cars in Poland with the state-owned automaker FSO.

Italy's Fiat Group and France's Automobiles Citroen also are vying to set up ties with Warsaw-based FSO, but a Polish government spokesman quoted by the official news agency PAP said the GM proposal is favored.

GM's proposal, which is dependent on Polish government guarantees, would in effect rescue the financially troubled FSO, or Fabryka Samochodow Osobowych. Reportedly, GM could acquire a majority interest in the Polish firm.

According to reports, GM offered to invest up to $400 million in FSO by 1996, including $100 million to begin production of the forthcoming Opel Astra lower-medium-class model by 1993. The additional $300 million would be spent to start production of the Opel Vectra compact.

John F. Smith, vice president for planning at GM Europe, met last week with Polish Prime Minister Jan Krzysztof and other officials. The news agency said talks will continue this summer.

Although GM officials did not deny the report, they moved quickly to emphasize the tentative nature of the talks.

"We've made some proposals that we feel are good for our business partners and good for us," said a GM Europe spokesman. "But we are not in a bidding war. We are by no means certain that a deal will come to fruition."

The spokesman also stressed that no agreement is likely to be reached for several months.

Fiat reportedly is offering to produce its Tipo subcompact at FSO, while Citroen wants to build the new ZX model there. Citroen, a unit of Peugeot Group, has just signed a contact to deliver 10,000 1.9-liter diesel engines to FSO.

The FSO plant, which employs 11,000 workers, currently produces Fiat 125-based passenger cars under license.

Under the GM proposal, new lines would be installed at FSO to assemble the Astra from imported components.

Company officials have in the past envisioned assembly of about 15,000 units annually.

A GM spokesman said it was too early to say if local production would be exported to the West. He said GM's principal interest in producing in Poland would be to establish a local market presence.

Elsewhere in Eastern Europe, GM is preparing to produce autos and major components in eastern Germany and Hungary.

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LEGALS

Florida lemon tally finds Hyundai had most, VW had none

By Helen Kahn
SENIOR CORRESPONDENT

Hyundai fared worst and Volkswagen scored best in Florida's 1990 lemon index.

The scale is based on 230 cases that were decided in consumers' favor under Florida's Lemon Law Arbitration Program. It compares the number of lemon awards to the Florida market share of each make that sold more than 4,000 units.

In Hyundai's case, 18 owners, or 7.8 percent of the 230 cases, prevailed in arbitration. But Hyundai sales accounted for less than 1 percent of the market, giving Hyundai a score of 10.45 on the index.

Subaru (3.12) and BMW (2.86) were the only other makes that had twice as many lemons as would be expected with their market share. The General Motors makes, Honda/Acura, Toyota/Lexus and Mitsubishi had fewer. And Volkswagen/Audi had none.

The report notes that manufacturers can avoid generating lemons by prevailing in arbitration, entering into prehearing settlements or taking other measures to prevent cases from being submitted to arbitration.

Attorney General Robert A. Butterworth's report says: "In both 1989 and 1990, BMW, Chrysler, Ford and Mercedes-Benz generated more than their expected share of lemons. Conversely, General Motors, Honda and Toyota were the only three manufacturers in 1989 and 1990 to generate fewer lemons than their expected share."

1990 FLA. LEMON INDEX

Expected index score, based on registrations, would be 1.00.

Maker	Index
Hyundai	10.45
Subaru	3.12
BMW	2.86
Chrysler	1.71
Mercedes-Benz	1.67
Isuzu	1.58
Volvo	1.47
Nissan	1.43
Ford	1.01
Mazda	1.00
Mitsubishi	0.68
Toyota	0.57
Honda	0.53
General Motors	0.37
Volkswagen	0.00

The annual report on Florida's lemon law — one of the toughest in the nation — says that consumers received more than $11 million in awards and settlements for their "lemons" last year, compared to $2.9 million recovered by consumers in 1989.

In 1990, the second year of the state-run arbitration program, 726 cases were approved for arbitration compared with 206 in 1989. Of those 726 cases, 302 were settled by manufacturers before arbitration and 346 went to arbitration. Consumers won 230 of those; 116 were dismissed.

Of the remaining 78 cases, 36 were withdrawn, 41 were settled for less value than provided by the lemon law, and one was pending at the time of the report.

In 1990 prehearing settlements with vehicle makers, consumers recovered more than $6 million.

Last year, 41.6 percent of consumers received full relief under the lemon law — either a refund or a replacement vehicle. That was up from 27.2 percent over 1989.

The marked increase in the number of requests for arbitration led the state to open a regional office in Tampa, add two arbitration boards and appoint 12 additional arbitrators.

FTC sues over display of Buyers Guides

The Federal Trade Commission has taken Tasca Lincoln-Mercury and its president, Robert Tasca, to court for alleged violations of the commission's used-car rule.

The suit, filed in federal court by the Justice Department for FTC, charges the Seekonk, Mass., dealer with failing to display Buyers Guides on used cars for sale and with failing to disclose all specified data on the guides. FTC asks for a permanent injunction and monetary civil penalties.

Tasca concedes that some cars on his lot did not have stickers. But he said he didn't own them all, and they were not all for sale. They included employee cars, cars left for service, and cars that had been bought back from Ford Motor Credit Co., he said.

Now, Tasca said, all such cars are parked in one area with a sign that notes they are not for sale.

Tasca said he is trying to settle with the FTC. The commission is seeking a $60,000 penalty, he said.

The window sticker advises buyers of warranty coverage and other essential information that becomes part of the sales contract.

Tasca said the FTC inspected his dealership at the request of the Rhode Island attorney general. There were no customer complaints, Tasca said.

— Helen Kahn

K mart pays $475,000 for selling faulty signals

K mart Corp. has sent a check for $475,000 to the National Highway Traffic Safety Administration to settle a 1985 lawsuit. This is the largest civil penalty ever collected by the safety agency for noncompliance with a safety standard.

The dispute involves K mart's sale of dual-purpose turn signals and hazard warning flashers. The retailer first bought them in October 1980 from Taiwan's Gen-Star.

But K mart made no tests before imports began and received no certificate of compliance from Gen-Star. Two years later, NHTSA tested the devices and said they didn't meet federal standards.

NHTSA told K mart in May 1983 that it must warn customers and bring the flashers into compliance.

Gen-Star issued a certificate of compliance for all flashers imported after January 1983.

But on July 14 of that year, NHTSA found non-complying flashers for sale. Less than a week later, K mart issued the first of several orders to its stores to pull the items. Later that summer, NHTSA asked K mart for a recall, and K mart complied. But the company ordered new tests because it was suspicious of NHTSA's test.

In March 1984, Detroit Testing Laboratory said the flashers failed both performance and durability tests. Eighteen months later, NHTSA took K mart to court because of the failure of the flashers and K mart's apparent unwillingness to comply with further directives. K mart said it should be exempt from any penalties because it thought it was in compliance and had exercised due care. A hearing was held in April 1988.

The Maryland federal district court now has ruled K mart did not exercise due care. The court added that the six-month delay in notifying customers was not within a reasonable time.

The court noted it has been eight years since NHTSA told K mart to stop selling the flashers and although there is some dispute about when the last flashers were removed from the stores, it has been "at least five to six years."

The court dismissed NHTSA's request for an injunction, partly because K mart no longer sells the flashers. But it did set the civil penalties.

— Helen Kahn

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May orders rise; sales numbers disguise market demand

By Joseph Bohn
TRUCK EDITOR

The heavy-truck market continued to improve in May, with new-vehicle orders skyrocketing and Class 8 inventory at its lowest level in nearly eight years.

Retail sales of 8,250 Class 8 trucks in May, 27.3 percent below a year ago according to the Motor Vehicle Manufacturers Association, don't reflect real market demand yet. Industry sales typically lag new-vehicle orders by two to three months, since it takes that long to produce trucks to customer specification.

And net new orders for heavy trucks climbed to 12,559 in May, compared to 9,530 in April and 11,869 a year ago, according to the New York-based investment firm Rothschild Inc.

May 1990 was a particularly strong month for orders since the market was on an upswing prior to getting shot down by the situation in the Persian Gulf in August.

Orders last month were the strongest in the past year, according to Frank Prezelski, an analyst with Rothschild Inc.

Some of last month's order strength is due to prebuying by truck operators to avoid a 4 percent price hike announced by heavy-truck manufacturers on their 1992 products.

Typically, makers such as Ford Motor Co. begin building new-model heavy trucks in July or August.

Ford's Louisville, Ky., heavy-truck operations, for example, were down the past two weeks for an early vacation. They resume production on 1991 models today and will continue to produce 1991s until the end of July, according to spokeswoman Bonnie Daws.

Ford begins 1992-model production at Louisville July 29.

Officials at some major manufacturers, such as Navistar International Corp., Freightliner Corp. and Volvo GM Heavy Truck Corp., still express some nervousness about June because of the prebuying factor in May's order rate.

Truck manufacturing officials noted that the increase in orders was broadly based, coming from all industry groups and not just from fleet buyers.

It is still difficult to determine how much of the 4 percent increase will stick, since sales transactions in heavy trucks are heavily subject to negotiation.

Prezelski said that even without the prebuying, net new orders would have been above 10,000, a level that is still strong.

Class 8 truck inventories, totaling 14,854 at the end of May, were at their lowest level since October 1983, Prezelski pointed out.

This created a very low 1.8-month inventory-to-sales ratio on June 1, he said.

It means that if market demand continues to pick up, dealers won't have enough trucks to satisfy it. And factories will be building trucks not just to fill orders, but to rebuild inventories which they have maintained at cautiously low levels this year.

Industry officials had generally been looking for U.S. Class 8 retail sales of about 100,000 units in calendar 1991. The recent upturn indicates the sales could well reach 105,000 to 110,000 units, which means manufacturers could be building 1,000 trucks a month in the latter of part of 1991.

As previously reported, most have increased production recently by canceling planned downtime or increasing line speeds.

MAY 1991 TRUCK SALES BY GVW

	May 1991	May 1990	5 mos., 1991	5 mos., 1990
Class 1-3	109,639	126,127	469,391	582,819
Class 4	1,720	2,423	8,472	11,795
Class 6	412	512	1,990	2,020
Class 7	1,491	2,364	8,363	11,361
Class 8	864	1,388	3,340	5,748
FORD	**114,126**	**132,814**	**491,556**	**613,743**
Class 8	2,019	1,916	9,237	9,786
FREIGHTLINER	**2,019**	**1,916**	**9,237**	**9,786**
Class 1-3	104,430	118,303	434,177	545,432
Class 4	118	0	556	0
Class 5	5	25	51	137
Class 6	174	591	1,368	2,989
Class 7	532	556	2,580	2,965
CHEVROLET	**105,259**	**119,475**	**438,732**	**551,523**
Class 1-3	27,214	31,634	112,397	141,182
Class 4	104	0	388	0
Class 5	24	223	162	1,417
Class 6	239	498	1,663	1,990
Class 7	1,638	1,385	6,790	5,712
GMC	**29,219**	**33,740**	**121,400**	**150,301**
Class 7	27	28	92	193
Class 8	812	1,302	4,418	6,259
KENWORTH	**839**	**1,330**	**4,510**	**6,452**
Class 6	52	114	220	575
Class 7	70	152	296	767
Class 8	1,097	1,626	4,588	6,407
MACK	**1,219**	**1,892**	**5,104**	**7,749**
Class 6	32	54	133	220
Class 7	95	107	290	449
MERCEDES-BENZ	**127**	**161**	**423**	**669**
Class 4	6	2	13	14
Class 5	4	9	20	51
Class 6	694	1,323	3,109	6,260
Class 7	2,452	2,053	12,876	12,010
Class 8	1,360	2,437	10,090	11,502
NAVISTAR	**4,516**	**5,824**	**26,108**	**29,837**
Class 7	48	15	112	223
Class 8	810	1,064	3,743	5,230
PETERBILT	**858**	**1,079**	**3,855**	**5,453**
Class 7	153	67	299	308
Class 8	1,187	1,417	4,160	6,103
VOLVO/GM HEAVY	**1,340**	**1,484**	**4,459**	**6,411**
Class 1-3	20	31	123	145
Class 4	6	0	8	3
Class 5	21	36	162	188
Class 6	52	37	252	241
Class 7	91	60	267	441
HINO	**190**	**164**	**812**	**1,015**
Class 1-3	53	60	217	311
Class 5	66	71	306	399
Class 6	47	38	151	194
Class 7	38	33	155	224
NISSAN DIESEL	**204**	**202**	**829**	**1,128**
Class 1-3	448	651	2,857	2,826
Class 4	43	97	354	324
Class 5	135	44	454	171
Class 6	81	102	358	1,150
Class 7	16	62	88	272
ISUZU TRUCK	**723**	**956**	**4,111**	**4,743**
Class 1-3	102	157	704	766
Class 5	39	65	252	306
Class 6	15	20	150	107
Class 7	14	30	152	254
MITSUBISHI FUSO	**170**	**272**	**1,258**	**1,433**
Class 8	4	8	23	49
SCANIA	**4**	**8**	**23**	**49**
Class 1-3	—	167	—	585
Class 4	—	48	—	188
Class 5	—	26	—	88
Class 6	—	15	—	59
IVECO TRUCKS	**0**	**256**	**0**	**920**
Class 8	56	88	288	427
WESTERN STAR	**56**	**88**	**288**	**427**
Class 1-3	144,229	156,905	618,446	717,259
Class 6	0	0	0	34
Class 7	0	0	0	1
Class 8	41	79	190	331
OTHER TRUCKS	**144,270**	**156,984**	**618,636**	**717,625**
CLASS 1-3	**386,135**	**434,035**	**1,638,312**	**1,991,325**
CLASS 4	**1,997**	**2,570**	**9,791**	**12,321**
CLASS 5	**294**	**499**	**1,467**	**2,757**
CLASS 6	**1,798**	**3,304**	**9,394**	**15,839**
CLASS 7	**6,985**	**6,912**	**32,360**	**35,180**
CLASS 8	**8,250**	**11,325**	**40,877**	**51,842**
TOTAL TRUCKS	**405,139**	**458,645**	**1,731,341**	**2,109,264**

SOURCE: Automotive News Data Center and MVMA

Industry teams for low-emissions diesel

SAN ANTONIO — Southwest Research Institute has launched an international cooperative industry research program to develop a low-emissions diesel engine that will go beyond U.S. regulations mandated for 1994 to meet those anticipated for 2000.

The Clean Heavy-Duty Diesel Engine program has goals for emissions not to exceed 2 grams of oxides of nitrogen, 0.1 gram of particulates and 0.5 gram of hydrocarbons per horsepower hour.

By comparison, the current standard calls for 5 grams of nitrogen of oxides, 0.25 gram of particulates and 1.3 grams of hydrocarbons per horsepower hour.

Engine efficiency of 45 percent is another program goal, although that is not an anticipated regulation. Current diesel engine efficiency is about 42 percent.

American engine manufacturers participating include Caterpillar Co. of Peoria, Ill.; John Deere in Waterloo, Iowa; Detroit Diesel Corp. in Taylor, Mich., and Navistar International Corp. in Melrose Park, Ill. Foreign participants include Hino Motors Ltd., Isuzu Motors Ltd., Mitsubishi Motors Corp. and Nissan Diesel Motor Co. Ltd. of Japan and Volvo Truck of Sweden.

A proposal to open program membership to component manufacturers is being considered, according to Program Manager Syed Shahed of Southwest Research Institute's Engine, Fuel and Vehicle Research Division.

The program will provide participating companies with key clean diesel technologies selected by a committee composed of industry representatives and Southwest's senior technical staff members.

The advisory committee will meet quarterly. The program runs to 1995. The program's plan includes projects on intake charge expansion cooling or turbo-cooling, combustion system optimization, exhaust gas recirculation, reduction of oil consumption and oil-derived particulates, diesel spray jet development and mixing, and in-cylinder diagnostics.

The advisory committee can modify, add or delete projects within the overall scope and budget of the program. Cost of participation in the program is $65,000 the first year.

BRIEFS

Truck boom predicted

ENGLEWOOD CLIFFS, N.J. — The Heavy Duty Truck Committee of the Automotive Market Research Council predicts a two-year boom in sales of Class 8 trucks.

The consensus forecast for Class 8 North American factory sales in 1991 is 114,900 vehicles, down nearly 14.5 percent from 1990. But after bottoming out in 1991, sales are expected to jump more than 40 percent in the next two years to exceed 164,000 in 1993.

In addition to an economic recovery, the boom will be fueled largely by additional costs associated with stricter emissions standards that take effect in 1994 and are expected to generate strong pre-buying in 1993.

Another dip in sales is predicted for 1994, with another rebound, to 160,000 units, in 1996.

The Automotive Market Research Council expects North American factory sales of 139,000 Class 4-7 trucks in 1991, down 6.9 percent from 1990. The stricter emissions standards in 1994 are not expected to have as great an impact. By 1996, sales are projected to exceed 180,000 units.

Safeway inks fleet deal

BARRINGTON, Ill. — Safeway Inc. of Oakland, Calif., signed a long-term agreement with Idealease Inc. to manage Safeway's fleet of nearly 1,000 vehicles under a new Quality Assurance Program.

Idealease will control the running costs of Safeway's fleet through its dealer network and will provide the centralized services of billing, communications and purchasing from its headquarters.

It also will handle all supplier activity, including previous programs set up with Navistar International Corp. and Cummins Engine Co. in Peoria, Ill.

Fruehauf offers ABS

DETROIT — Fruehauf Trailer Corp. is making an anti-lock braking system available as a regular production option on all its truck-trailer models.

The axle-control design ABS will carry Fruehauf's Pro-Par name and will be produced by Bendix Heavy Vehicle Systems Group.

It will be available for vans, refrigerated trailers, platforms, tanks and dump trailers, according to Frank J. Miller, Fruehauf vice president of reliability, engineering and quality assurance.

The system is designed for either single- or tandem-axle control, is compatible with current seven-pin connector wiring systems and has self-contained diagnostics for on-vehicle troubleshooting.

Fruehauf and Bendix also are jointly developing in-axle anti-lock sensor capabilities for 1993.

Truck tilt studied

ANN ARBOR, Mich. — The propensity of tractor trailer rigs to tilt at precarious angles has involved the University of Michigan Transportation Research Institute in a project that is likely to affect truck operators in the near future.

As part of the Surface Transportation Assistance Act of 1991, expected to become effective Oct. 1, the trucking industry is expected to win nationwide approval for heavier and longer vehicles, including triple-trailer combinations. Triples are now legal in 17 states.

In anticipation, the National Highway Traffic Safety Administration awarded a nine-month grant to to devise minimum standards that every truck or fleet will have to pass for the heavier or longer combinations.

Using the university's commercial truck-tilt table, researchers are tipping fully loaded tractor trailers until they begin to fall to determine the exact point of rollover.

The tests being developed also will predict a truck's rearward amplification, the tendency of the last trailer in a double or triple to whip back and forth when the driver shifts lanes or makes a turn.

JAPANESE FACTORY PURCHASES OF U.S.-ASSEMBLED PARTS AND MATERIALS*
(in millions of dollars)

	FY1988	FY1989	FY1990
Engine parts	$ 376	$ 707	$1,051
Chassis/drivetrain	533	893	1,194
Body parts	1,821	2,732	3,353
Electronics	1,326	1,779	2,246
Accessories	218	202	211
Materials	635	807	1,019
TOTAL	4,908	7,121	9,074

*Figures include fiscal year exports to Japan and local purchases by Japanese transplant automakers.
Source: Japan Automobile Manufacturers Association

Japanese feel U.S. heat, promise to buy more parts

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Under increasing political heat, Japanese automakers plan to increase substantially their purchases of U.S.-made parts and materials.

Although the numbers are in dispute, U.S. industry sources say the increase could double Japanese sales for U.S. parts manufacturers — meaning as much as $10 billion annually in additional business by the late 1990s.

Based on Japanese industry figures, such an increase would push Japanese purchases from U.S. automotive firms from about $9 billion this year to nearly $20 billion later in this decade.

Those numbers include purchases for Japanese transplant factories in the United States, parts exported to Japan and components bought from Japanese suppliers with U.S. factories.

The plans emerged from private meetings in Las Vegas this month among top officials of Japan's 11 vehicle manufacturers and senior executives of 83 U.S. suppliers.

Japanese and U.S. industry groups arranged the meetings for the second straight year. More than 300 U.S. executives and about 180 Japanese executives attended.

"There's no question that they want to double their current purchases of U.S. parts," said John Reilly, president of Tenneco Automotive and chairman of an industry committee that is advising Washington on automotive trade issues. "They're working very aggressively to source everything they can. Unfortunately, doing that still won't solve our trade problems with Japan."

In recent weeks, Nissan Motor Co. Ltd., Mitsubishi Motors Corp. and Toyota Motor Corp. have announced independent plans to increase their U.S. purchases.

Commitments from Toyota alone will increase U.S. parts sales more than $2.3 billion in 1992 over 1988.

But the Japanese commitments are still being met by skepticism. Some industry officials have consistently called the Japanese industry figures inflated, contending that they include such misleading data as the value of subcomponents imported by U.S. subsidiaries of Japanese suppliers, then sold to transplants here.

A recent report by the University of Michigan's Office for the Study of Automotive Transportation calculated that the value of Japanese purchases of parts from traditional U.S. suppliers is less than claimed — representing about $5.7 billion in 1989, not the $7.1 billion claimed by the Japanese.

"Twenty billion dollars is ridiculous," said Sean McAlinden, a University of Michigan economist and one of the authors of its study.

"There's no way they could buy that much U.S. content. They'd have to move 600 (Japanese) suppliers to the United States."

Participants in Las Vegas downplayed the political aspects of the meetings. But the encouraging reports came as Washington and U.S. industry forces are complaining loudly about what they call Japan's slow progress in helping reduce its automotive trade imbalance with the United States.

The University of Michigan study, which was prepared for a congressional advisory committee this spring, warned that the U.S. "auto parts deficit" with Japan will increase from $10.5 billion last year to about $22 billion in 1994.

A joint statement released prior to the Las Vegas meetings by the Japan Automobile Manufacturers Association and the Motor and Equipment Manufacturers Association said that the parts trade deficit improved by $1 billion in 1990. Official U.S. Commerce Department figures indicate an improvement of only $400 million.

Using Japanese industry figures, the JAMA-MEMA statement calculated that Japanese purchases of U.S. parts and material rose from $7.1 billion in 1989 to more than $9 billion in 1990. Those figures include items used within the United States by the Japanese transplant factories, as well as exports.

However, McAlinden and others believe that the reduction in the parts trade deficit was due almost entirely to economic recession here, rather than more purchasing by Japanese carmakers.

Whatever the real figures, McAlinden predicts that last year's deficit reduction will prove temporary and that the deficit will resume its increase during the next few years.

Meanwhile, a number of Japanese companies have made independent promises in recent months to increase their U.S. purchases:

- Toyota Motor Corp. said it will increase its U.S. purchases at Toyota Motor Manufacturing U.S.A. Inc. from $700 million in 1990 to $1.2 billion by 1992. Toyota Motor Corp. said it will import another $1.5 billion worth of parts to Japan. In 1988, Toyota imported $350 million from the United States.
- Nissan Motor Ltd. will spend $900 million to import U.S. production parts to Japan in 1991, up from $763 million in 1990. In the late 1990s, the company plans to import approximately $1.5 billion in U.S. parts.

Last year, Nissan purchased an additional $650 million in domestic parts for its Smyrna, Tenn., car and truck plant.

A company spokesman said local procurement will rise, but not necessarily double while Nissan doubles U.S. output.

- Mitsubishi Motors Corp. said it will double its purchases from $170 million last year to $340 million by 1995.

CHRYSLER

FROM PAGE 1

eated a timetable. Many Chrysler watchers have suggested that the chairman would like to go out in a blaze of glory following the successful launch of the 1992 Jeep Grand Cherokee sport-utility and 1993 LH sedans being introduced next year.

In addition, Iacocca's contract with Chrysler will reward him handsomely should he stay into 1992. After Jan. 1, 1992, Chrysler will give Iacocca 62,500 shares of common stock for every additional quarter he works.

But clearly the Iacocca era is winding down at Chrysler.

Noted Iacocca protege Richard Dauch, when he resigned as executive vice president of worldwide manufacturing in April, "an end of an era is coming at Chrysler."

But an orderly succession at Chrysler was thwarted when Iacocca's annointed heir apparent Gerald Greenwald left the company in May 1990 to lead a failed union buyout of UAL Corp., parent of United Airlines. Greenwald's departure forced Iacocca to remain at the company to work out a new succession scenario.

But growing sentiment within the industry suggests that Iacocca's retirement is overdue and it is time for a new regime.

Clearly, Chrysler President Robert Lutz has stepped in to take a strong operational role and he and Vice Chairman Robert S. Miller Jr. remain the leading inside contenders to assume the chairmanship.

But rumors remain rife within automotive circles about possible outside successors to Iacocca should the board of directors decide to look past Lutz or Miller.

As in any situation where there is uncertainty, the Iacocca succession has generated many rumors linking outsiders from various backgrounds to the job. One widely reported rumor has suggested General Motors Executive Vice President William E. Hoglund as a successor to Iacocca. Hoglund publicly has denied being approached by Chrysler.

It is not surprising that White's retirement has fueled the rumor mill.

"White's (announced) departure has caused speculation within the company that Lee Iacocca may be serious about stepping out or taking a lesser role in the company," said the company source. "Iacocca is giving up someone who advised him on a lot of day-to-day things."

In the acknowledgements that opened his second book, *Talking Straight*, Iacocca described White as a friend. One source who knows both men says that does not mean White and Iacocca are social buddies. Nor would the term "cronies" apply to the two men as it does to Iacocca's relationship with Bennett Bidwell, who retired as chairman of Chrysler Motors at the end of 1990, although he remains chairman of Pentastar Transportation Group Inc.

Rather, the Iacocca/White relationship is one in which Iacocca will seek White's counsel on a range of day-to-day issues pertaining to the chairmanship but not necessarily the larger corporate strategy and policy issues. Iacocca has relied heavily on White over the years for advice on executive personnel moves and organizational matters.

A quiet executive who has long shied from press attention, White is described as one of the few at Chrysler who can "shoot the breeze" with Iacocca.

He also is the sole member of Chrysler's current executive team who was an officer when Iacocca joined the company on Nov. 2, 1978, and began firing executives.

White, who joined Chrysler in 1953, was named a vice president in 1968.

"Over a three-year period, I had to fire 33 out of 35 vice presidents," Iacocca said in his best-selling autobiography. "That's one a month. In a few cases, I tried to resurrect some of the executives, but it didn't work — they just couldn't cut it."

White did manage to cut it. His responsibilities have included general manager of the Chrysler-Plymouth Division in 1967 and vice president of Latin America operations in 1970. He moved into the personnel and organization arena in 1975.

White, who was named to his present position in 1989, is responsible for all salaried personnel policy, planning and control functions and management personnel activities. Administrative services also is under his direction.

ORBITAL

FROM PAGE 1

Johnsen is in Australia "for several weeks" and could not be reached for comment, his office said.

Kaska said Orbital stock is already available in America. Shares of Orbital Engine Co. Ltd., the Australian parent company, are listed on the "pink sheets," a minor market containing typically small companies.

Orbital has expressed an interest in marketing stock in the United States, according to a spokeswoman at the American Stock Exchange.

"We are reviewing opportunities in the financial market to see what's available," Kaska said. "Things haven't really been finalized."

Orbital USA employs 30 office people at a former GM plant in Tecumseh, Mich., 50 miles southwest of Detroit. It is the American subsidiary of Australian Ralph Sarich's Orbital Engine Co. Ltd.

The Australian company is developing a well-publicized engine breathing system that it claims will allow the two-stroke engine to meet strict U.S. emissions controls while delivering better fuel economy than four-stroke engines.

Two-strokes are accepted as more efficient, but Ford, GM and other automakers say they have not yet solved the problem of substandard emissions quality and of making a hot-running two-stroke engine meet emissions standards for 10 years or 100,000 miles.

In response to repeated requests for an interview with Stout or anyone else at Government Investment Management Corp. who could explain the relationship with Orbital or even describe Government Investment Management, the company last Thursday issued a short statement promoting Orbital as an investment.

"If (Orbital's) tests are verified, it can have more impact on global warming than all the laws passed in the last decade," the statement said. "GIM Corp. is interested in this company and continues to investigate whether the technology will pass EPA testing and whether the public policy process will accept it.

"Our interest is discovering the facts and making them available to our investment customers. We are not paid advisors to Orbital, the automotive industry or the environmental community."

Orbital recently made a big splash in Australia with claims that its two-stroke engine, installed in a Honda CRX, combined low emissions with fuel economy up to 30 percent better than the Honda engine. The EPA has not verified Orbital's findings.

Environmental groups applauded Stout and Orbital and said they will gladly support the engine company if its claims prove to be correct.

Dan Becker, director of the global warming and energy program for the Sierra Club, said he received materials from Stout concerning the Orbital two-stroke engine. As a supporter of a bill sponsored by Sen. Richard Bryan, D-Nev., which calls for a 40 percent increase in CAFE, Becker said his group is quite familiar with two-stoke engines.

"Orbital didn't enlighten us," he said. "I'm pleased the two-stoke engine is getting some publicity."

Staff Reporters Diana Kurylko and Jack Keebler contributed to this report.

Orbital's very quiet friend

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

Government Investment Management Corp. is housed in an office building a block from the swanky part of Washington's Connecticut Avenue.

Government Investment Management shares an office with the Battle of Normandy Foundation. Anthony Stout is president of both, according to a woman who works for the foundation.

Stout is the self-described government adviser to Orbital who has been trying to enlist environmentalists to "front" for Orbital Engine Co. USA in pursuit of much higher corporate average fuel economy standards.

In the reception area, only the Normandy Foundation has a plaque. The small lobby is crowded with World War II black-and-white photographs and recruiting posters.

When *Automotive News* showed up at the office, a receptionist said Stout was not available and would not be in that day (Thursday), but that Steve Goune, another officer, was in.

She said she didn't have any literature on the company.

She called Goune and said he would be available for an interview in two hours, at 3:30 p.m.

But at 3:30, she said Goune had been delayed and would not be available until the next day. She said no one else could talk to *Automotive News*, even to describe the company.

The next day, Stout's secretary said Stout was still out of town and Goune would not be able to talk.

INCENTIVE WATCH
CUSTOMER INCENTIVES
CONTINUING PROGRAMS

BMW (expires June 30)
Finance rates start at 1.9 percent on 7 series and 2.9 percent on 5 series. Special lease rates also available on 5-series and 7-series models.

CHRYSLER CORP.
Rebates expire June 30 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	$1,000-1,500
1990	$500-1,000
Dodge Monaco (1991)*	$1,500
Other 1991 cars*	$400-1,000
Monaco (1990)*	$1,500
Other 1990 cars	$700-1,000
Dodge trucks (1991)	$300-1,500
1990 trucks	$500-2,000
Eagle Premier (1991)*	$1,500
Other 1991	$700
Premier (1990)*	$1,500
Other 1990	$700-1,000
Jeep	
Grand Wagoneer ('91)**	$1,500
Other 1991	$500-1,000
Grand Wagoneer ('90)**	$1,500
Other 1990	$1,000-2,000
Plymouth (1991)	$400-1,000
1990 models	$700-1,000
All minivans without air bag (1991)	$500
1990 models	$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 LeBaron and Daytona
**Expires Dec. 31 on Grand Wagoneer

FORD MOTOR CO.
(1990-91 models. Finance rates in lieu of rebates are 4.8 percent on Festiva, Escort (except Pony), Tracer; 7.9 percent on others. Terms are 24, 36 or 48 months. All incentives expire July 30.)

Ford Festiva, Escort Pony and LX, hatchbacks, Mustang	$500
Escort wagon, GT	$750
Tempo	$600
Thunderbird	$600-750
Taurus	$750
Taurus SHO	$1,600
Probe	$1,000
Crown Victoria (1991)	$1,500
F series, Econoline (1991)	$500
Ranger, Aerostar, F series (over 8,500 gvw)	$1,000
Econoline E150 (1990, with conversion pkg.)	$1,500
Econoline E150 (1991, with conversion pkg.)	$1,000
Bronco	$1,500
Mercury Tracer sedan	$500
Tracer LTS and wagon	$750
Topaz, Capri	$600
Cougar	$600-1,000
Sable	$750
Grand Marquis (1991)	$1,000

GENERAL MOTORS
All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire July 7 on 1991 models.

Buick (1991)*	$250-2,000
Cadillac Brougham (1991)	$1,500
Chevrolet	
S Blazer (1991)	$1,000
Other 1991	$300-1,000
GMC	
Suburban (1991)**	$1,000
Other 1991	$500-1,000
Oldsmobile (1991)	
Regional incentives	$500-2,250
Pontiac Grand Am ('91)	$1,000

*Based on option package selected.
**Expires Sept. 25

HYUNDAI (expires July 2)

Excel (1990-91)	$500-1,000
Sonata (1990-91)	$1,000
Scoupe (1991)	$750
All 1991 models (expire July 8)	$500 to current owners

MAZDA (expires Aug. 2)

Trucks (1991)	$500-1,300*

*Based on region

MITSUBISHI (1990-91 models; expires June 30)

California	
Base Galant	$500
Base Eclipse	$500
Base pickup	$650
Hawaii	
Mirage	$500
Eclipse, Galant, pickup	$750
Montero	$1,500

SAAB
3.5 percent financing on 9000 models (1991) for 24, 36 or 48 months with downpayment of 25 percent. Expires July 31.

SUBARU (1991, expires July 2)

Loyale	$500
Legacy L	$750
Legacy L Plus	$900-2,000
Legacy LS	$1,200-$1,400
Legacy LSi	$1,200-1,700
Legacy Spt. Sed.	$1,000
XT, XT6	$2,000

INCENTIVE WATCH
DEALER INCENTIVES
CONTINUING PROGRAMS

BMW (expires June 30)

325iX, M3 (1991)	$2,500
7 series (1991)	$4,000*

*If buyer does not choose cut-rate finance program.

CHRYSLER CORP.
Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	$500
Monaco (1991)	$1,000-2,000 based on sales, plus $1,000 for each car ordered from factory
Monaco (1990)	$1,000-2,000, based on sales
Eagle Premier (1991)	$1,000-2,000 based on sales, plus $1,000 on each car ordered from factory
Premier (1990)	$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	$3,500
Plymouth Acclaim (1990-91)	$500
Caravan, Voyager (no air bag) 1991	$500

FORD MOTOR CO. (expires July 31)
Ford Escort (1991), Crown Victoria (1990-91-92) and F-series pickup (1990-91)

100 percent of quota	$500-15,000
110 percent of quota	$750-22,500
120 percent of quota	$1,000-30,000

Dealerships divided into seven groups, based on number of units in quota. Payments listed above are the range of total amounts for the seven groups.

Program includes Mercury Tracer (1991) and Grand Marquis (1990-91-92) for Ford-Mercury dual dealerships.

GENERAL MOTORS

Chevrolet Corvette	$2,000

HONDA (expires July 3)

Civic 4-door (1991)	$400
Accord (1990)	$400
Accord (1991, except EX)	$400
Accord wagon (1991)	$750

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	$100-300, based on sales

ISUZU (expires June 30)

1990-91 models	$800-2,000 based on sales

MAZDA (expires July 2 on cars, Aug. 2 on MPV)

626, MX-6 (1991)	$1,000
MPV (1991)	$800

MITSUBISHI* (1990-91 models; expires June 30)

Mirage	$250-1,200
Galant	$200-1,700
Eclipse	$200-1,700
Pickup	$200-1,500
Montero	$200-1,800

*Mitsubishi rebates differ by region. Some are flat payments; some are based on number sold; some are based on performance against quota.

NISSAN (1991, expires Aug. 2)

Sentra E, XE, GXE	$400
Stanza	$1,400
Maxima	$800-1,000, quota
240SX	$600-800, quota
300ZX	$1,500
Trucks	$1,200
Trucks (California only)	$1,300-1,500, quota
Pathfinder	$1,000-1,400, quota

PEUGEOT (1990, no expiration date) $2,000

SUZUKI (expires Aug. 2)

Swift (1990-91)	$400-1,000
Sidekick (1990)	$1,000
Sidekick (1991)	$300-1,000

TOYOTA (expires Aug. 2)

Corolla	$300-900, based on number sold
Camry, trucks	$300-1,100, based on number sold

VOLKSWAGEN

Golf, Jetta (1991, expires June 30)	$500, based on number sold
All cars (1990, no expiration date)	$300-1,500

VOLVO (expires June 30)

740 and 940-SE (1991)	$1,500

GM schools Soviets in carmaking

But don't expect big Buicks to displace Ladas in Red Square

By Clinton O'Brien
THE ASSOCIATED PRESS

MOSCOW — Passing another milestone on the bumpy road toward capitalism, Soviet officials have started taking lessons in American-style carmaking from an avid teacher — General Motors.

But one of more than 100 rapt Soviet auto industry specialists who attended a recent three-day seminar on auto production and marketing in Moscow said his country won't slavishly copy America's big luxury cars.

"We don't need to build the Buick Park Avenue car here," said Soviet Automobile Ministry official Dmitri Yurushkin after GM experts explained how the car was developed and marketed.

Instead, Soviet automakers keen on grabbing a larger share of the world car market hope to use U.S. engine parts to improve their own modest "Soviet-style" cars, he said.

The seminar exposed the Soviets to such foreign concepts as customer surveys, targeting television advertisements and offering free tennis racquets to entice car buyers. It stemmed from a $1 billion deal signed a year ago by GM and the Soviet Union.

Some of the Soviet participants said they were disappointed that GM officials didn't reveal more about how free-market competition affects their operations.

Tina Poplavskaya, an auto industry economist studying at the Moscow Scientific Research Institute, asked one GM speaker what percentage of the corporation's budget is spent on marketing. The speaker declined to say.

"I thought maybe it was a war secret," Poplavskaya said. "Later, I understood that they just don't want their competition to know."

Vince Barabba, GM's worldwide marketing research director, said he was impressed at how much Soviet engineers knew about car design. But the Soviets were amazed when he talked about union officials negotiating with factory managers about quality control, asking him: "What do unions have to do with it?"

Under its five-year contract with the Volga Auto Works, known as VAZ, GM will supply 100,000 to 150,000 engine control systems annually. The deal with VAZ, the Soviet Union's biggest automaker and producer of Ladas, is by far the largest signed between a U.S. automaker and the Soviet Union. The GM systems consist of spark plugs, filters, catalytic converters and computers to regulate car emissions.

VAZ makes about 750,000 cars a year, and 40 percent are exported. Overall, about 1.3 million cars were produced in the Soviet Union last year.

Yurushkin, a senior-level official at the Ministry of Automobile and Agricultural Machinery, said VAZ needs to install the U.S. components to continue exporting cars to Europe. Clean air rules taking effect next year require that all cars sold in Europe have catalytic converters to curb emissions.

The Soviets agreed to pay precious foreign currency for the components. This made the deal a coup for GM, since the Soviets have a limited supply of foreign currency, earned mainly from oil and gold exports.

Because the ruble is not convertible, many foreign firms that do business here must settle for barter arrangements instead of cash.

Greg De Yonker, a GM negotiator of the contract and an organizer of the seminar, said the company hopes to conclude more deals with the Soviets, including a possible joint venture to produce catalytic converters.

"But we are proceeding cautiously," he said, adding that GM is concerned about the unstable Soviet economy and political situation.

The company has raised its profile recently in the Soviet Union, opening offices in Moscow and Togliatti, the city about 600 miles southeast of the Soviet capital where VAZ is located.

Italian carmaker Fiat S.p.A., which built the huge Togliatti complex for Moscow under contract, agreed late last month to take a 30 percent equity stake in VAZ, the first such deal between the Soviets and a Western company.

NADA

FROM PAGE 4

data on the volume of vehicles by manufacturer and the percentage of total new-car sales.

Other areas of concern voiced by NADA dealer-directors include financial subsidies on units sold to daily rental companies, advertising and warranties offered by manufacturers to sell the vehicles.

"Dealers are enjoying some short-term benefits from program car sales, but they are concerned about the long-term impact these sales will have on the new-car departments," said Anderson.

Program cars are sold to daily rental companies, then repurchased by the automakers at a guaranteed depreciation rate and redistributed to dealers through auto auctions.

Some industry estimates put the number of program cars by all domestic and foreign manufacturers at 1.5 million units this year.

Program cars have come under fire by dealers who say the clean, low-mileage cars steal from new-car sales even though profits on these units is higher than on the sale of new cars.

Substitution of nearly new cars for new cars by buyers can run as high as 40 percent, according to some industry estimates.

Royal Prince borrows Opel mechanicals and uses a rear-drive layout.

PRINCELY: *Daewoo revamps its popular Royal*

SEOUL, South Korea — Daewoo Motor Co. has introduced its new V-car, the Royal Prince, marking the first major change in the popular Royal series since its debut a decade ago.

The company, of which General Motors owns 50 percent, said it expects to sell about 20,000 units a month in the home market. The car will not be exported.

Based on Opel mechanicals, the rear-wheel-drive car has new skin and drivetrain improvements. It will be priced from 10 million won to 16 million won (about $13,800 to $22,100), which puts it in competition with the Hyundai Sonata and Grandeur and Kia Motors' Concord.

The high-end Prince has a 2.0-liter, four-cylinder multi-point fuel-injected engine that turns out 115 horsepower at 5,200 rpm. Anti-lock brakes are standard.

At 189 inches, the car is two inches shorter than its predecessor but has the same wheelbase, 105.2 inches. Curb weight is 2,772 pounds, 88 pounds more than its previous model.

— Oles Gadacz

BMW offers incentives; Hyundai sweetens the pot

BMW of North America Inc. and Hyundai Motor America are helping to keep the incentive fires burning.

BMW is offering buyers cut-rate loans on its 1991 5-series and 7-series cars.

The rates are 3.9 percent to 6.9 percent on the 525i, 2.9 percent to 8.9 percent on the 535i, 1.9 percent to 6.9 percent on the 735i and 735iL and 2.9 percent to 7.9 percent on the 750iL.

If customers choose not to accept the special finance program, dealers receive $4,000 on sales of 7-series cars.

Also, dealers receive a rebate of $2,500 on 1991 325iX and M3. BMW's program expires June 30.

Under its "Valued Owner Program," **Hyundai Motor America** is offering its current owners a $500 rebate on a new Hyundai car through July 8.

This rebate is in addition to Hyundai's other customer incentives, which range from $500 to $1,000 through July 2.

— Arlena Sawyers

PRODUCTION

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
GENERAL MOTORS		
Detroit/Hamtramck, Mich.	6/24	*
Buick Riviera		
Cadillac Eldorado		
Cadillac Seville		
Olds. Toronado		
Lansing, Mich. (A plant)	6/24	*
Buick Skylark		
Olds. Calais		
Lansing, Mich. (B plant)	6/24	*
Pontiac Grand Am		
CHRYSLER		
Bramalea, Ontario	6/24	750
Dodge Monaco		
Eagle Premier		
DIAMOND-STAR		
Normal, Ill.	6/24	*
Eagle Summit		
Eagle Talon		
Mitsubishi Eclipse		
Mitsubishi Mirage		
Plymouth Laser		
Total Canada car		750
Total units lost week of 6/24		750

*Model changeover

Source: Automotive News Data Center

U.S. CAR	Week Ended June 22, 1991	Week Ended June 15, 1991	June to Date	Jan. 1 to June 22, 1991	Jan. 1 to June 23, 1990
Horizon	0	0	0	0	4,327
Sundance	2,000	2,216	4,216	20,802	39,220
Acclaim	2,500	2,514	7,537	41,323	49,643
Total Plymouth	**4,500**	**4,730**	**11,753**	**62,125**	**93,190**
LeBaron A	0	0	0	0	9,325
LeBaron J	0	0	0	18,697	22,818
N. Yorker C-Class	250	286	536	3,787	21,236
Fifth Avenue	1,550	1,559	3,109	16,137	15,935
Imperial	300	296	596	3,710	8,053
Total Chrysler	**2,100**	**2,141**	**4,241**	**42,331**	**77,367**
Omni	0	0	0	0	4,078
Daytona	0	0	0	4,936	16,264
Shadow	2,400	2,568	4,968	24,117	45,867
Dynasty	2,500	2,757	5,257	55,222	56,872
Spirit	2,300	2,368	6,952	37,478	46,723
Total Dodge	**7,200**	**7,693**	**17,177**	**125,283**	**169,804**
CHRYSLER CORP.	**13,800**	**14,564**	**33,171**	**229,739**	**340,361**
Escort	5,724	5,705	17,168	93,913	102,009
Mustang	0	3,306	6,880	38,957	73,047
Tempo	3,041	2,920	8,888	54,343	68,778
Taurus	8,567	8,943	26,860	165,785	181,212
Thunderbird	2,560	0	5,161	37,773	59,482
Total Ford Div.	**19,892**	**20,874**	**64,957**	**390,771**	**484,528**
Topaz	1,238	1,480	4,196	23,006	25,615
Cougar	1,711	0	3,430	27,946	40,468
Sable	3,152	3,014	9,282	53,632	53,552
Total Mercury	**6,101**	**4,494**	**16,908**	**104,584**	**119,635**
Continental	1,212	1,199	3,524	27,959	29,485
Mark VII	213	213	617	4,890	12,351
Town Car	2,815	2,838	8,285	65,766	80,745
Total Lincoln	**4,240**	**4,250**	**12,426**	**98,615**	**122,581**
Total L-M Div.	**10,341**	**8,744**	**29,334**	**203,199**	**242,216**
FORD MOTOR CO.	**30,233**	**29,618**	**94,291**	**593,970**	**726,744**
Skylark	0	0	0	34,929	45,080
Century	2,686	2,437	7,725	44,487	34,077
Riviera	0	0	0	4,204	11,775
Electra/Park Ave.	2,872	2,894	5,766	48,614	16,281
LeSabre (fwd)	500	117	697	35,172	84,084
Roadmaster Sedan	560	560	1,680	8,420	0
Roadmaster Wagon†*	342	290	982	10,808	4,020
Reatta	0	0	0	1,206	4,477
Total Buick	**7,160**	**6,298**	**16,850**	**187,840**	**199,794**
Eldorado	0	0	0	6,395	10,902
Seville	0	0	0	12,909	19,695
Brougham (rwd)	313	368	996	9,625	13,065
DeVille (fwd)	3,200	2,986	9,518	69,942	85,453
Allante	64	64	192	1,510	1,892
Total Cadillac	**3,577**	**3,418**	**10,706**	**101,139**	**131,007**
Cavalier	5,215	5,205	16,500	132,020	164,216
Camaro	1,515	1,518	4,548	24,197	33,262
Corsica/Beretta	3,831	7,568	19,560	125,170	139,237
Caprice	530	3,628	7,360	66,162	105,974
Corvette	0	487	955	10,919	11,923
Total Chevrolet	**17,855**	**18,406**	**55,727**	**365,272**	**454,612**
Calais	0	0	0	34,616	50,582
Cutlass Ciera	1,692	1,593	4,860	37,128	39,536
Cutlass Supreme	2,673	2,674	7,796	52,656	41,981
Toronado	0	0	0	2,778	8,807
88 (fwd)	2,410	2,136	6,423	30,947	51,422
Custom Cruiser Wag.††	219	222	686	5,160	2,295
98	2,000	1,856	5,619	37,311	28,771
Total Oldsmobile	**8,994**	**8,481**	**25,386**	**200,586**	**223,394**
Sunbird	2,655	2,651	8,367	61,250	76,384
Grand Am	0	0	0	87,060	100,485
Firebird	565	532	1,632	8,085	20,693
Grand Prix	2,673	2,852	7,898	49,508	56,528
Pontiac 6000	2,172	1,527	5,190	20,286	29,465
Bonneville	1,364	672	2,036	23,434	40,753
Total Pontiac	**9,429**	**8,234**	**25,123**	**249,623**	**324,308**
Total Saturn*	**2,131**	**2,131**	**6,393**	**33,510**	**0**
GENERAL MOTORS	**40,186**	**46,968**	**140,185**	**1,137,980**	**1,333,115**
DIAMOND-STAR*	**0**	**3,091**	**6,092**	**72,586**	**69,229**
Civic	1,800	1,960	5,771	44,904	60,021
Accord	7,450	6,618	21,535	173,677	155,623
HONDA	**9,250**	**8,578**	**27,306**	**218,581**	**215,644**
MAZDA*	**3,699**	**4,054**	**10,996**	**73,738**	**86,447**
NISSAN Sentra	**2,726**	**2,706**	**8,113**	**67,178**	**48,480**
Corolla	2,100	2,335	6,701	51,510	51,774
Geo Prizm/Nova	2,000	1,846	5,695	48,968	51,147
NUMMI	**4,100**	**4,181**	**12,396**	**100,478**	**102,921**
SUBARU-ISUZU Legacy	**1,197**	**1,114**	**3,437**	**27,283**	**12,535**
TOYOTA Camry	**5,159**	**4,359**	**13,745**	**107,947**	**107,778**
TOTAL BIG 3	**83,219**	**91,150**	**267,647**	**1,961,000**	**2,499,220**
TOTAL TRANSPLANT	**26,992**	**27,993**	**81,995**	**667,771**	**643,634**
TOTAL CARS, U.S.	**110,211**	**119,143**	**349,552**	**2,629,499**	**3,043,254**
TOTAL CARS, CANADA	**29,589**	**29,272**	**87,770**	**544,381**	**519,595**
U.S., CANADA CARS	**140,000**	**148,415**	**437,322**	**3,173,841**	**3,561,849**
U.S., CANADA CARS AND TRUCKS	**254,778**	**258,335**	**746,917**	**5,165,493**	**6,025,645**

*Estimate

†1990 totals reflect LeSabre (rwd) ††1990 totals reflect Olds. 88 (rwd)

*Mazda includes MX-6, 626 and Ford Probe; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks.

CANADIAN CAR	Week Ended June 22, 1991	Week Ended June 15, 1991	June to Date	Jan. 1 to June 22, 1991	Jan. 1 to June 23, 1990
Monaco	720	809	2,250	4,698	5,132
Premier	555	483	1,631	5,397	2,808
CHRYSLER CORP.	**1,275**	**1,292**	**3,881**	**10,095**	**7,940**
Tempo	3,175	3,605	10,281	57,402	64,844
Topaz	1,295	904	3,144	18,132	24,107
Crown Victoria	2,424	2,137	6,093	43,811	61,193
Grand Marquis	3,097	3,307	9,221	44,458	55,132
FORD MOTOR CO.	**9,991**	**9,953**	**28,739**	**163,803**	**205,276**
Celebrity	0	0	0	0	15,138
Cutlass Ciera	1,958	1,995	6,003	34,470	42,440
Lumina	6,865	6,449	20,313	109,371	110,029
Regal	2,970	2,989	9,176	57,925	42,241
GENERAL MOTORS	**11,793**	**11,433**	**35,492**	**204,596**	**209,848**
CAMI*	**2,500**	**2,585**	**7,615**	**88,773**	**0**
HONDA Civic	**2,200**	**2,283**	**6,983**	**52,843**	**52,002**
HYUNDAI Sonata	**250**	**200**	**650**	**14,486**	**9,857**
TOYOTA Corolla	**1,400**	**1,426**	**4,251**	**33,582**	**38,073**
VOLVO 740 and 940	**188**	**180**	**539**	**4,281**	**4,389**
TOTAL CARS, CANADA	**29,589**	**29,272**	**87,770**	**544,381**	**518,595**

U.S. TRUCK	Week Ended June 22, 1991	Week Ended June 15, 1991	June to Date	Jan. 1 to June 22, 1991	Jan. 1 to June 23, 1990
Caravan	800	1,191	4,090	50,340	56,144
Dakota	2,000	2,026	6,070	38,841	37,577
Caravan C/V	0	47	220	2,118	3,577
Ram pickups	2,000	2,015	6,044	38,774	55,562
Total Dodge	**4,800**	**5,279**	**16,424**	**130,073**	**152,860**
Cherokee	4,300	4,208	12,790	62,267	84,418
Comanche	100	112	337	2,583	4,014
Grand Wagoneer	250	317	567	1,590	3,245
Wagoneer/Briarwood	50	63	166	1,377	2,118
Total Jeep	**4,700**	**4,700**	**13,860**	**67,817**	**93,795**
Voyager	3,400	2,892	9,755	46,853	52,921
Town & Country	50	66	207	1,642	1,905
Total C-P Div.	**3,450**	**2,958**	**9,962**	**48,495**	**54,726**
CHRYSLER CORP.	**12,950**	**12,937**	**40,246**	**246,385**	**301,381**
Aerostar	4,901	4,725	14,576	78,097	102,439
Bronco	346	345	1,027	6,449	27,061
Bronco II/Explorer	5,739	5,783	18,245	134,413	82,227
Navajo	100	87	311	5,725	0
Econoline	4,117	4,010	12,112	65,041	99,214
Mediums/Heavies	0	0	1,005	16,175	27,185
Light trucks	8,600	8,176	21,718	138,593	230,626
Ranger	7,645	6,207	20,233	126,253	147,684
FORD MOTOR CO.	**31,448**	**29,333**	**89,227**	**570,746**	**716,436**
Astro	2,731	2,356	7,841	49,381	58,507
Blazer	214	231	720	3,965	8,653
Lumina APV	1,140	1,301	3,733	19,928	49,355
Mediums/Heavies	237	176	628	2,150	5,044
P-Model	637	751	1,909	8,683	12,664
Pickups	6,357	5,650	18,700	124,055	172,950
S10	6,444	6,153	18,336	125,578	115,218
S10 Blazer	1,876	2,161	6,184	24,452	69,340
Sportsvan/Van	905	1,043	2,958	20,542	35,104
Suburban	972	797	2,655	13,312	33,517
Total Chevrolet	**21,513**	**20,619**	**63,864**	**392,046**	**580,352**
Jimmy	67	28	111	1,045	2,757
Mediums/Heavies	333	409	1,102	4,564	8,684
P-Model	61	55	152	1,471	1,512
Pickups	2,289	2,844	7,268	54,244	60,913
S15/Sonoma	1,822	1,514	4,955	27,905	27,534
S15 Jimmy	895	469	1,694	8,926	21,905
Safari	1,472	1,249	4,242	21,326	21,010
Suburban	545	484	1,597	11,855	16,615
Vandura/Rally Vans	591	503	1,523	9,921	12,324
Total GMC	**8,075**	**7,555**	**22,644**	**141,257**	**173,254**
Silhouette	828	635	2,052	10,359	17,793
Bravada	246	210	680	6,608	0
Total Oldsmobile	**1,074**	**845**	**2,741**	**16,967**	**17,793**
Pontiac Trans Sport	**835**	**756**	**2,498**	**12,851**	**26,896**
GENERAL MOTORS	**31,497**	**29,775**	**91,539**	**565,121**	**778,295**
NAVISTAR	**1,845**	**1,853**	**4,952**	**36,929**	**36,997**
NISSAN Pickup	**2,726**	**2,725**	**6,124**	**65,986**	**75,827**
SUBARU-ISUZU	**1,210**	**1,133**	**3,503**	**24,567**	**12,332**
AM GENERAL	**400**	**400**	**1,200**	**10,950**	**11,349**
MISCELLANEOUS**	**2,650**	**2,650**	**7,950**	**66,670**	**75,000**
TOTAL TRUCKS, U.S.	**84,526**	**80,686**	**248,741**	**1,585,853**	**2,007,218**

CANADIAN TRUCK	Week Ended June 22, 1991	Week Ended June 15, 1991	June to Date	Jan. 1 to June 22, 1991	Jan. 1 to June 23, 1990
Caravan	3,540	3,552	10,374	71,370	79,715
Caravan C/V	114	176	526	12,046	5,619
Ram Wagon	675	727	2,040	11,084	13,995
Ram Van	1,245	1,272	3,732	19,649	30,520
Total Dodge	**5,574**	**5,727**	**16,672**	**114,149**	**129,849**
Plymouth Voyager	**2,610**	**2,469**	**7,573**	**52,453**	**64,183**
Jeep Wrangler	**1,500**	**1,610**	**4,737**	**28,170**	**29,128**
CHRYSLER CORP.	**9,684**	**9,806**	**29,982**	**194,772**	**223,080**
FORD F series	**3,000**	**2,924**	**8,928**	**48,879**	**74,127**
Light trucks	3,756	3,710	10,671	67,538	85,655
Vans	1,520	1,304	4,100	26,038	24,684
Total Chevrolet	**5,276**	**5,014**	**14,771**	**93,576**	**110,339**
Light trucks	1,344	1,271	3,723	26,627	32,924
Vans	625	835	2,126	10,931	11,058
Total GMC	**1,969**	**2,106**	**5,849**	**37,558**	**43,982**
GENERAL MOTORS	**7,245**	**7,120**	**20,620**	**131,134**	**154,321**
CAMI*	**1,250**	**1,298**	**3,729**	**27,364**	**0**
NAVISTAR	**165**	**166**	**495**	**3,950**	**5,950**
TOTAL TRKS., CANADA	**21,352**	**21,314**	**62,854**	**405,798**	**488,578**
U.S., CANADA TRKS.	**105,878**	**101,920**	**308,595**	**1,991,652**	**2,463,796**

**Includes for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

May contain error of one or two units due to rounding.

SATURN

FROM PAGE 1

home with factory workers on a regular basis — not as a company perk but simply to test-drive the cars before they are sold.

The program will let all 5,000 workers at the Spring Hill, Tenn., plant drive the cars home and tool around town. Plant officials said the test drives might last one day or over a weekend and put 50 to 100 miles on the odometer.

"Our aim is to make sure the cars going out of here are as good as they're supposed to be," said Jack O'Toole, Saturn's business team adviser for vehicle systems. "We plan to be twice as hard on ourselves as any customer would be."

> "Our aim is to make sure the cars going out of here are as good as they're supposed to be."
>
> **Jack O'Toole**
> Saturn

O'Toole said about 25 cars a day — or about one out of every 21 built — are already going home with plant workers, and the program will be expanded. It will continue indefinitely.

"The end result will be to show whoever buys a Saturn that there are real people behind the car," he said, "that it came from a factory where it was built by somebody who really cares about the quality of the product they just bought."

Saturn will track each car from the factory to the customer's driveway. The final stage of the program will require plant employees to contact the person who buys the car.

"The team member will call the customer at home and say, 'I'm the guy who put those 75 miles on your car. Here's why I did it. I built your car. How do you feel about it?' " O'Toole said.

Employees will be required to fill out a detailed four-page evaluation form, giving their impressions of the car's performance and handling and the overall driving experience.

Participating employees will meet each morning before their work shift to discuss the cars further, O'Toole said.

He said Saturn is also trying to put plant employees in closer communication with Saturn dealers. Each of the approximately 125 dealers has been "adopted" by a Saturn plant worker, who is expected to talk with the dealer frequently, answer questions and help solve any problem that arises.

Saturn has adopted a number of practices that differ from general U.S. industry procedures. Plant workers participate in such functions as car design, machinery purchases and retailer selections. Last fall, the company suffered through a slower-than-planned production startup to give workers more time to adjust to new plant assembly processes.

This spring, when the company found that more than 1,800 cars had been shipped from the plant with faulty engine coolant, Saturn informed buyers that it would replace the cars.

Second shift to return on Grand Prix

By Bob DeMayer
SPECIAL CORRESPONDENT

A ray of sunlight escaped through the dark clouds above the domestic auto industry last week.

General Motors announced that it will add a second shift and recall about 700 employees by September when 1992 Pontiac Grand Prix production accelerates in Kansas City, Kan.

"Through the last 30 days, Grand Prix's daily selling rate has been at its highest level since last October and, as a result, the number of Grand Prix models currently in dealer inventory is at the lowest level since May 1988," said John Middlebrook, Pontiac general manager.

The plant has been operating on one shift since April 2, when production was decreased and approximately 1,000 people were laid off. About 300 of those employees returned to work in May in response to improved sales.

Carmakers scheduled 119,311 automobiles last week, 0.14 percent above the preceding week but 20.03 percent below the year-ago week.

Year-to-date, U.S. car production is 2,629,460, down 13.60 percent from last year.

Truckmakers planned to build 84,526 trucks last week, 4.86 percent above the prior week but 10.23 percent below last year.

So far this year, 1,585,853 trucks have been assembled, 20.99 percent below last year's total at this time.

GM scheduled two shifts of overtime last Saturday at its Pontiac, Mich., (West) and Baltimore truck plants and one shift of overtime at its No. 2 truck plant in Flint, Mich., and its Oklahoma City and Willow Run, Mich., car plants.

Ford Motor Co.'s Louisville, Ky., truck plant was closed for vacation last week.

Chrysler Corp. scheduled two shifts of overtime last Saturday at its St. Louis (No. 2) minivan plant.

CANADA: Canadian car production was estimated at 29,589 last week, up 1.08 percent from the prior week and up 13.96 percent from the year-ago week.

Truck production last week was estimated at 21,352, up 0.18 percent from the previous week and up 6.35 percent from the year-ago week.

GM scheduled one shift of overtime last Saturday at its Oshawa, Ontario, (No. 1 and No. 2) car plants and the Oshawa truck plant.

Ford scheduled one shift of overtime last Saturday at its St. Thomas, Ontario, car plant.

Chrysler scheduled two shifts of overtime last Saturday at its two Windsor, truck plants.

NOTE

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